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# Registers of Scotland - Stage 1 Relocation Appraisal

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A report to  
**The Scottish Executive**

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# 1 EXECUTIVE SUMMARY

## 1.1 Purpose of this document

This exercise has been undertaken to appraise location options arising from the commitment to review the location of Registers of Scotland's (ROS) operations in line with the Scottish Ministers' relocation policy. ROS was included in the list of organisations subject to relocation reviews in 2001, as the result of the ending of an auxiliary office lease in Edinburgh.

This exercise represents the first stage of the review process and uses Scottish Executive guidance to produce a short-list of alternative location options for consideration by Ministers.

## 1.2 Current Accommodation

ROS employs over 1,400 staff at four locations in central Scotland. ROS's main accommodation is at Meadowbank House, which is a Crown owned building. In Glasgow the Agency has leased premises at 150 St Vincent Street. In addition, the Agency has two further leases for Customer Service Centres at Erskine House, Queen Street, Edinburgh, and George Square, Glasgow.

## 1.3 Approach

The approach to the appraisal of locations to which ROS could relocate was conducted in accordance with the Scottish Executive's 'Guidance on Conducting a Relocation Review' ("the Guidance").

The Guidance requires an evaluation of each of the 32 Local Authority Areas (LAA) in Scotland in terms of the following criteria:

- potential effect on business efficiency;
- availability of sustainable transport links;
- existence of suitable properties ;and
- socio-economic make-up of the area.

ROS employed the services of Deloitte and BiGGAR Economics to assist with the Stage 1 appraisal. In addition, a Steering Group was formed comprising senior ROS management and with representation from the Public and Commercial Services Union (PCS).

The general approach to the appraisal of each criterion is described below.

### 1.3.1 Socio-economics

The analysis of the socio-economic make-up of each LAA accounts for 50% of the overall evaluation. The Scottish Executive conducted the analysis and scoring and made this available to ROS for inclusion in this report.

The analysis focuses on three key measures:

- Supporting fragile and declining communities;
- Helping areas of economic hardship and deprivation; and
- Sharing the benefits of public sector employment.

Weightings were applied to each of these criteria to reflect their relative importance to the evaluation. A total of six indices were used to inform the resultant analysis.

### **1.3.2 Business Efficiency**

The analysis of long-term Business Efficiency focused on two key areas:

- Labour Market Analysis: With the emphasis on the availability of skilled labour at each location, consistent with the large number of skilled staff employed by ROS; and
- Staff Retention: Using recently conducted staff survey data from ROS supplemented by staff survey data conducted by the Scottish Funding Councils for Further and Higher Education in its recent Stage 2 relocation analysis.

These criteria were weighted to reflect their relative importance to ROS before the scoring and ranking of each LAA.

### **1.3.3 Property Availability**

For an organisation of ROS's size, it is possible that in addition to existing property, accommodation could be provided to specification through the development of purpose built accommodation or the redevelopment of existing premises.

This analysis therefore focused on the availability of development sites in each LAA alongside an analysis of existing available properties. Land values were also incorporated into the analysis. GVA Grimley provided the data to support this analysis.

### **1.3.4 Transport**

The Scottish Executive's Guidance states that new locations should aim to offer sustainable access to fit the organisation's requirements. This is important both in terms of business efficiency and on environmental grounds. Locations that minimise travel needs and have good rail and bus services should therefore score highest.

The analysis therefore focused on two key criteria:

- Availability of sustainable road, rail and bus links in each LAA; and
- Estimated commute times to each LAA.

The Scottish Funding Councils for Further and Higher Education prepared an analysis of sustainable transport links for its recently published Stage 1 relocation review and with the agreement of the Scottish Executive this data has been used to support the ROS analysis also. BiGGAR Economics devised the methodology for analysis of commute times as reported later in this paper.

### 1.3.5 Results

The analysis described above produced the following short-list of suitable locations, shown here in descending order:

- Glasgow City;
- Fife;
- North Lanarkshire;
- North Ayrshire;
- West Lothian;
- South Lanarkshire; and
- City of Edinburgh.

It should be noted that City of Edinburgh would normally be included in the Stage 2 appraisal as a matter of course as this represents the baseline option against which others are evaluated.

### 1.3.6 Key Issues

Following review by the Scottish Executive and the relevant Ministers, ROS will embark on Stage 2 of the accommodation review that will involve a detailed costs and benefits analysis of each location.

There are a number of key issues that need to be considered at this point. They can be summarised as follows:

- **Scale of the move:** With over 1400 staff likely to be affected by any relocation, the business impact of any move on ROS, coupled with the financial impact of potential redundancies, needs very careful consideration. Scale issues are particularly relevant in the context of a 'big bang' move
- **Operating model:** ROS's operating model is team based with teams incorporating a pre-determined mix of skills and grades of staff. Maintaining the balance of these teams under any relocation is vital and a detailed staff survey at Stage 2 will be used to analyse the likelihood that this can be achieved.
- **Efficient Government:** ROS is engaged in a very substantial programme of infrastructure and business process change designed to deliver cost reduction, which will be reflected in reduced fees and service improvements including the introduction of electronic registration.

- **Restructuring plans:** As part of its business change programme, ROS is working on major information systems projects that will result in a significant reduction in its staff numbers over the next 10 years. This could potentially result in the relocation of posts, which would in any case become redundant in due course. Any large scale relocation has the potential to compromise the success of the change programme and the Stage 2 analysis will consider the risks to the programme arising from relocation and potential mitigation strategies.
- **ROS as a self-funding organisation:** If, as seems likely, a relocation results in an increase in costs in the short to medium term, ROS will need to recover these costs. If this were to be done on the basis of ROS's current business model, this would result in an increase in fees and charges. Analysis of the impact of each option on fee levels will therefore be undertaken in detail at Stage 2.
- **Relocation scenarios:** A relocation of this scale presents a number of alternative relocation scenarios. These include
  - A "big bang" relocation in the shortest timescale possible;
  - A phased relocation of the whole organisation over a longer period of time;
  - A partial and phased relocation; and
  - Establishment of satellite centres, possibly using the Small Units Initiative as a basis for analysis where such moves make business sense.

### **Feasibility of relocation scenarios**

It appears obvious even at this stage that two scenarios in particular, namely a "big bang" approach and a phased relocation of the entire organisation, are fraught with difficulty and may, in fact, be capable of elimination from consideration at this stage.

The key issues presented by these options include:

#### *Big Bang Approach*

- Ability of the Scottish Executive and other Government departments in the Edinburgh area to absorb redundant posts;
- Ability to fund large scale redundancy;
- The high risk of disruption to a business change programme that is already forecasting major efficiency savings and reductions in ROS's staffing levels;
- The inefficient transfer of posts which will disappear under the change programme in the medium term; and
- The risk to ROS's operating model arising from the loss of a high proportion of its skilled staff base.

*Phased move of whole organisation*

- All of the above, with operational impact possibly being mitigated to some extent by a phased move; and
- The practical and value for money challenges posed by a requirement to find flexible accommodation to support the phased relocation of an entire workforce over a protracted period of time.

Given the nature of these risks, Ministers may wish to provide guidance at this stage as to whether these scenarios can be omitted from the Stage 2 appraisal, thus saving considerable time and resource in evaluating options that are unlikely to be viable.

## **2 INTRODUCTION**

### **2.1 Registers of Scotland**

Registers of Scotland is responsible for land and property registration, and for the maintenance of certain Crown and judicial registers. Constitutionally, it is a separate Department within the Scottish Administration, headed by the Keeper of the Registers of Scotland, and an Executive Agency with a financial status equivalent to that of a Trading Fund. ROS operates on a commercial basis, funding its work from its fees and charges.

Established as an Executive Agency in 1990, ROS is brigaded with the Communities Department of the Scottish Executive.

Around 85% of ROS business is concerned with the framing and maintaining of Scotland's two property registers. These are the General Register of Sasines, a register of deeds recording the transfer of property from one legal person to another, and the Land Register of Scotland, a map based system in which owners are issued with Land Certificates which identify their property accurately against the Ordnance Survey Map and which carry a State guaranteed indemnity against competition in title. Recording and registration of title is a critical component of the property market.

In addition to registration work, provision of information from the Registers is also a core ROS task.

ROS employs over 1400 staff, including some 850 with specialist legal or mapping skills. ROS is currently embarking on a substantial programme of IT enabled business change which will significantly reduce employee numbers and deliver efficiency savings which will be passed on to customers in the form of lower fees. Details of this change programme and the benefits it is expected to deliver are provided in Appendix 3.

#### **2.1.1 Current Accommodation**

ROS's main Edinburgh accommodation is on a single site situated between Meadowbank Stadium and Jock's Lodge. Meadowbank House provides some 10,600 square metres net internal area (NIA) and is a Crown building appearing as an asset in the Agency's Balance Sheet.

In Glasgow the Agency has leased premises of 3,000 square metres NIA at 150 St Vincent Street. The lease on this building runs until 2007 and a decision on its future will be taken in 2006, although the presumption has been that it will remain in the West of Scotland. Any decision as to its precise future location will take into account relocation policy and criteria.

In addition, the Agency has two further leases for customer service centres at Erskine House, Queen Street, Edinburgh, and George Square, Glasgow. A small number of specialist staff are also in the Erskine House premises. The leases are for 1,338 and 446 square metres NIA respectively. Both extend to 2015. As

these offices are primarily concerned with face to face customer service activity the business imperative is that they remain where they are.

## **2.2 Background to this review**

This exercise has been undertaken to address options arising from the commitment to review the location of ROS's operations in line with the Scottish Ministers' relocation policy. ROS was included in the list of organisations subject to relocation reviews in 2001, as the result of the ending of an auxiliary office lease in Edinburgh. This office is no longer used by ROS with staff transferring to Meadowbank House.

This exercise represents the first stage of the review process and uses Scottish Executive guidance to produce a short-list of alternative location options for consideration by Ministers. Following Ministerial direction, Stage 2 of the review process will require a more detailed costs and benefits analysis of each short-listed location option with a view to recommending a preferred option for consideration.

ROS has previously submitted an options evaluation paper to Ministers in August 2004. However, in light of revised Guidance from the Executive, the analysis now follows the two-stage appraisal process that governs every relocation decision made by Ministers.

ROS employed the services of Deloitte and BiGGAR Economics to assist with the Stage 1 appraisal. In addition, a Steering Group was formed comprising senior ROS management and with representation from the PCS.

Throughout this exercise, PCS has been in accord with the way the review has been conducted. Through a process of informal consultation, PCS has made a positive contribution to the options being discussed whilst reaffirming its opposition to any options which would lead to compulsory transfer and redundancy.

The objective of this Stage 1 appraisal is to evaluate each of the 32 Local Authority Areas in Scotland in terms of the following criteria:

- potential effect on business efficiency;
- availability of sustainable transport links;
- existence of suitable properties; and
- socio-economic make-up of the area.

The 'weighting & scoring' system then used to assess each area against these four criteria will provide a ranked shortlist of seven LAAs that warrant further investigation.

## 2.3 Structure

The remainder of this report is structured as follows:

- **Section 3** discusses the Scottish Executive's 'Guidance on Conducting a Relocation Review'; the document through which the parameters for conducting this Stage 1 analysis were provided;
- **Section 4** analyses the relocation potential of each LAA against socio-economic criteria, which were provided by the Scottish Executive;
- **Section 5** provides details of the relocation potential of each LAA against business efficiency criteria, which involved an analysis of access to labour and staff retention;
- **Section 6** delivers details of the relocation potential of each LAA against indices of the local property market;
- **Section 7** assesses the relocation potential of each LAA against the sustainable transport links criteria; and
- **Section 8** contains details of the overall analysis where the above criteria are brought together to give the final ranked list of LAAs.
- **Section 9** identifies next steps and some key issues that will be analysed in the Stage 2 review.

The model used in undertaking this Stage 1 of the relocation review is appended to the report at Appendix 1.

## 3 APPROACH

### 3.1 Introduction

The approach to the appraisal of locations to which ROS could relocate was conducted in accordance with the Scottish Executive's 'Guidance on Conducting a Relocation Review'.

As the Scottish Executive sets out in this document, the aim of the first stage is to consider a wide range of locations with a view to narrowing them down to six or seven locations that warrant more detailed study. This is achieved by a weighting and scoring assessment performed against a small set of general criteria combined with the consideration of any unique factors, specific to the particular location that might prohibit certain areas from being practical.

At the end of this first phase the aim is to have created a shortlist of LAAs that, initial indications suggest, will all have strong relocation potential.

### 3.2 Comparing Areas by Core Criteria

The Guidance states that there are four core criteria against which each individual local authority should be evaluated – socio-economic factors, business efficiency, property availability/suitability and sustainable transport links. As set out in the guidance, the approach taken was to score each location against each of the criteria and then to calculate an overall score by weighting each criterion to take account of their relative importance. A ranked preference list of locations emerges indicating those areas justifying further analysis at Stage 2.

The guidance states that the weightings used to create a final score for each location should be as follows:

- Socio-economic factors - 50%
- Business Efficiency - 15-20%
- Local Property Market - 15-20%
- Sustainable Transport Links - 15-20%

However, for the ROS appraisal the following weightings were agreed with the Scottish Executive:

- Socio-economic factors - 50%
- Business Efficiency - 30%
- Local Property Market - 10%
- Sustainable Transport Links - 10%

This revised weighting reflects the fact that for an organisation of ROS's size and complexity, the ability to source and retain skilled labour (analysed under Business Efficiency) is paramount. The weightings also reflect the fact that a

property of the size required by ROS could conceivably be built to specification and, therefore, analysis of the current availability of suitable property becomes less important. With two central customer service centres being retained, accessibility of ROS to stakeholders is less important as reflected in the transport weightings with the key consideration here being accessibility for staff.

### **3.3 Socio-economic Factors**

The socio-economic make-up of a region is a key concern when deciding on relocation, as it will influence how well the broader policy aims of relocation policy are met. These include the goals of supporting fragile communities, helping areas of economic hardship & deprivation, and sharing the benefits of public sector employment.

The scoring of this criterion is based on the generic location's performance against the six socio-economic indicators listed below.

- Supporting Fragile Communities
  - Change in Population between 1991 & 2001 censuses
  - Population Density

Helping areas of economic hardship & deprivation

- Scottish Index of Multiple Deprivation (SIMD)
  - Average (Median) Weekly Earnings
  - Claimant Count Unemployment
- Sharing the Benefits of Public Sector Unemployment
  - Proportion of employment by the public sector

### **3.4 Business Efficiency**

In terms of business efficiency, Scottish Executive Guidance states that relocation can have a significant impact on business efficiency. A move will often lead to a short-term reduction in efficiency (for example while new staff are training), but may provide gains in the long term. For this criterion, business efficiency in the long term, each local authority was considered in the context of the following factors, and given the following weightings:

- access to labour - 60%
- staff retention - 40%

These weightings reflect the fact that under almost all relocation options, ROS can expect to have a significant requirement to recruit skilled labour. Therefore the availability of this labour gains slightly higher weighting than the ability of ROS to retain staff under each option.

As noted previously, ROS will retain two central customer service centres under any relocation option (around 40 staff) and, therefore, accessibility by stakeholders has not been considered under the Business Efficiency evaluation as recommended in the Guidance.

### **3.5 Property Availability**

It is important that there is suitable accommodation that meets the needs of the organisation, e.g. in terms of size, quality or communications structure. In the case of a large organisation, new build on a development site could be an option. Additionally, the Guidance states that the likely cost of such accommodation should also be born in mind when scoring generic locations under this criterion.

### **3.6 Sustainable Transport Links**

The Scottish Executive's Guidance states that new locations should aim to offer sustainable access to fit the organisation's requirements. This is important both in terms of business efficiency and on environmental grounds. Locations that minimise travel needs and have good rail and bus services should therefore score highest. Although the document cites the importance of ability to serve the whole of Scotland and easy access to key sites, these are not important to the decision on the relocation of Registers of Scotland. It is recommended that, among others, the following factors are considered:

- **Proximity to workforce:** Will staff generally be based locally or commute long distances?
- **Access to public transport for commuting:** Are there likely to be good public transport links that can be used by a significant number of staff?

## 4 SOCIO-ECONOMIC

### 4.1 Introduction

The socio-economic component, contributing 50% to the final score, is discussed below. The socio-economic analysis was undertaken by the Scottish Executive. This section considers the raw data used in the analysis and then provides details of the weighting and scoring system.

### 4.2 Socio-economic Raw Data

*Table 4.1: Socio-economic Indicators and their sources* below gives the six socio-economic indicators used in the analysis and their corresponding sources.

**Table 4.1: Socio-economic Indicators and their sources**

| Index   | Source  |
|---|---|
| % Change in population  | General Registry Office 2002                                |
| Population Density (people per square km.)                    | General Registry Office 2002                                |
| Scottish Indices of Multiple Deprivation (SIMD) Average Score | Scottish Executive 2004                                     |
| Claimant Count (September 2004)                               | Office for National Statistics (ONS)                        |
| Median Gross Weekly Earnings for Full-time Employees          | ONS: Annual Survey of Hours and Earnings (ASHE), April 2003 |
| % in Public Sector Employment                                 | Annual Business Inquiry 2002                                |

Table 4.2: Socio-economic Indicators: Raw Data Summary below presents the raw data for the six indices under the three broader groupings.

**Table 4.2: Socio-economic Indicators: Raw Data Summary**

|                     | Fragile Communities          |                               | Economic Hardship & Deprivation |                            |                                     | Public Sector E'ment    |
|---------------------|------------------------------|-------------------------------|---------------------------------|----------------------------|-------------------------------------|-------------------------|
|                     | % Change in Pop. (1991-2001) | Pop. Den. (people per sq. km) | SIMD: Avg. Score                | Claimant Count (Sept 2004) | Median Gross Weekly Earnings (2003) | % Pub. Sec. Emp. (2001) |
| Aberdeen City       | -1.03%                       | 1,112                         | 9.82%                           | 2.40%                      | £450.30                             | 22.89%                  |
| Aberdeenshire       | 5.13%                        | 36                            | 1.44%                           | 1.70%                      | £372.40                             | 23.65%                  |
| Angus               | -0.03%                       | 49                            | 4.54%                           | 3.10%                      | £337.20                             | 30.62%                  |
| Argyll & Bute       | -2.37%                       | 13                            | 7.26%                           | 2.90%                      | £357.20                             | 36.95%                  |
| Clackmannanshire    | -0.06%                       | 301                           | 25.64%                          | 4.10%                      | £360.10                             | 31.16%                  |
| Dumfries & Galloway | 0.41%                        | 23                            | 8.10%                           | 2.60%                      | £332.70                             | 28.83%                  |
| Dundee City         | -6.49%                       | 2,392                         | 41.63%                          | 4.90%                      | £397.50                             | 35.92%                  |
| East Ayrshire       | -2.99%                       | 95                            | 26.21%                          | 4.50%                      | £378.40                             | 29.53%                  |
| East Dunbartonshire | -1.74%                       | 613                           | 3.82%                           | 1.80%                      | £369.00                             | 25.90%                  |
| East Lothian        | 6.80%                        | 134                           | 2.61%                           | 2.00%                      | £361.30                             | 30.23%                  |
| East Renfrewshire   | 4.24%                        | 516                           | 6.72%                           | 2.10%                      | £330.10                             | 28.81%                  |
| Edinburgh, City of  | 2.91%                        | 1,700                         | 12.87%                          | 3.40%                      | £404.30                             | 26.18%                  |
| Eilean Siar         | -9.82%                       | 8                             | 0.00%                           | 3.20%                      | £366.70                             | 40.86%                  |
| Falkirk             | 1.94%                        | 491                           | 14.00%                          | 3.60%                      | £375.70                             | 28.52%                  |
| Fife                | 0.69%                        | 266                           | 13.70%                          | 4.40%                      | £360.00                             | 28.26%                  |
| Glasgow City        | -8.03%                       | 3,288                         | 57.73%                          | 5.40%                      | £380.10                             | 30.58%                  |
| Highland            | 2.52%                        | 8                             | 6.01%                           | 2.60%                      | £351.60                             | 29.07%                  |
| Inverclyde          | -7.92%                       | 518                           | 42.14%                          | 5.40%                      | £332.50                             | 32.06%                  |
| Midlothian          | 1.79%                        | 225                           | 4.98%                           | 2.30%                      | £396.70                             | 30.65%                  |
| Moray               | 3.58%                        | 39                            | 0.00%                           | 2.20%                      | £324.30                             | 31.19%                  |
| North Ayrshire      | -1.62%                       | 154                           | 28.91%                          | 5.10%                      | £376.20                             | 26.99%                  |
| North Lanarkshire   | -1.75%                       | 685                           | 36.62%                          | 3.80%                      | £386.10                             | 25.06%                  |
| Orkney Islands      | -1.54%                       | 20                            | 0.00%                           | 1.60%                      | £352.00                             | 35.21%                  |
| Perth & Kinross     | 5.95%                        | 26                            | 2.44%                           | 2.30%                      | £376.60                             | 26.63%                  |
| Renfrewshire        | -1.62%                       | 655                           | 28.04%                          | 3.60%                      | £399.70                             | 26.34%                  |
| Scottish Borders    | 3.00%                        | 23                            | 2.91%                           | 1.80%                      | £306.20                             | 29.29%                  |
| Shetland Islands    | -2.53%                       | 15                            | 0.00%                           | 1.90%                      | £381.10                             | 18.29%                  |
| South Ayrshire      | -0.85%                       | 91                            | 13.26%                          | 3.60%                      | £431.30                             | 31.18%                  |
| South Lanarkshire   | -0.06%                       | 171                           | 22.23%                          | 3.10%                      | £390.00                             | 25.27%                  |
| Stirling            | 6.51%                        | 39                            | 7.49%                           | 3.10%                      | £374.50                             | 30.34%                  |
| West Dunbartonshire | -4.04%                       | 581                           | 36.82%                          | 4.80%                      | £380.90                             | 25.30%                  |
| West Lothian        | 9.65%                        | 377                           | 13.25%                          | 3.00%                      | £364.70                             | 19.23%                  |

### 4.3 Socio-economic Indicators: Rankings and Scorings

The ranking and scoring of the data proceeded as follows. Each LAA was ranked by each of the indices. For example, for percentage change in population, the Western Isles ranked 32 because it had experienced the largest decline. Under 'Supporting fragile and declining communities' both indices were ranked then added together, and then ranked. The combined ranking of each of the three groupings were then given the following weightings in accordance with the Guidance:

- Supporting fragile and declining communities – 1.0
- Helping areas of economic hardship and deprivation – 2.0
- Sharing the benefits of public sector employment – 1.0

The resultant weighted rankings were themselves added together to produce a score, this was ranked and based to 100. This based score went on to the overall analysis (see chapter 7). Table 4.3 displays the weighted scores for each grouping, the total score for the socio-economic factors, and the consequent rankings. The table shows that **North Ayrshire** ranks the highest, followed by **West Dunbartonshire, Inverclyde, East Ayrshire, and Glasgow City**.

Table 4.3: Socio-economic Factors: Scorings and Rankings displays the weighted scores for each grouping, the total score for the socio-economic factors, and the consequent rankings.

**Table 4.3: Socio-economic Factors: Scorings and Rankings**

|                      | Fragile Communities | Economic Hardship & Deprivation | Public Sector E'ment | Total | Rank | Total (Base 100) | Rank      |
|----------------------|---------------------|---------------------------------|----------------------|-------|------|------------------|-----------|
| Aberdeen City        | 6                   | 10                              | 30                   | 46    | 8    | <b>45</b>        | <b>8</b>  |
| Aberdeenshire        | 11                  | 4                               | 29                   | 44    | 7    | <b>43</b>        | <b>7</b>  |
| Angus                | 21                  | 42                              | 10                   | 73    | 20   | <b>71</b>        | <b>20</b> |
| Argyll & Bute        | 30                  | 36                              | 2                    | 68    | 16   | <b>66</b>        | <b>16</b> |
| Clackmannanshire     | 11                  | 60                              | 8                    | 79    | 24   | <b>77</b>        | <b>24</b> |
| Dumfries & Galloway  | 26                  | 44                              | 17                   | 87    | 26   | <b>84</b>        | <b>26</b> |
| Dundee City          | 17                  | 50                              | 3                    | 70    | 18   | <b>68</b>        | <b>18</b> |
| East Ayrshire        | 28                  | 50                              | 14                   | 92    | 29   | <b>89</b>        | <b>29</b> |
| East Dunbartonshire  | 15                  | 14                              | 25                   | 54    | 12   | <b>52</b>        | <b>12</b> |
| East Lothian         | 4                   | 18                              | 13                   | 35    | 2    | <b>34</b>        | <b>2</b>  |
| East Renfrewshire    | 3                   | 14                              | 18                   | 35    | 2    | <b>34</b>        | <b>2</b>  |
| Edinburgh, City of   | 1                   | 24                              | 24                   | 49    | 9    | <b>48</b>        | <b>9</b>  |
| Eilean Siar          | 32                  | 20                              | 1                    | 53    | 11   | <b>51</b>        | <b>11</b> |
| Falkirk              | 5                   | 46                              | 19                   | 70    | 18   | <b>68</b>        | <b>18</b> |
| Fife                 | 8                   | 56                              | 20                   | 84    | 25   | <b>82</b>        | <b>25</b> |
| Glasgow City         | 18                  | 62                              | 11                   | 91    | 28   | <b>88</b>        | <b>28</b> |
| Highland             | 27                  | 34                              | 16                   | 77    | 23   | <b>75</b>        | <b>23</b> |
| Inverclyde           | 24                  | 64                              | 5                    | 93    | 30   | <b>90</b>        | <b>30</b> |
| Midlothian           | 8                   | 6                               | 9                    | 23    | 1    | <b>22</b>        | <b>1</b>  |
| Moray                | 15                  | 22                              | 6                    | 43    | 5    | <b>42</b>        | <b>5</b>  |
| North Ayrshire       | 24                  | 58                              | 21                   | 103   | 32   | <b>100</b>       | <b>32</b> |
| North Lanarkshire    | 11                  | 48                              | 28                   | 87    | 26   | <b>84</b>        | <b>26</b> |
| Orkney Islands       | 29                  | 8                               | 4                    | 41    | 4    | <b>40</b>        | <b>4</b>  |
| Perthshire & Kinross | 11                  | 10                              | 22                   | 43    | 5    | <b>42</b>        | <b>5</b>  |
| Renfrewshire         | 8                   | 38                              | 23                   | 69    | 17   | <b>67</b>        | <b>17</b> |
| Scottish Borders     | 20                  | 26                              | 15                   | 61    | 14   | <b>59</b>        | <b>14</b> |
| Shetland Islands     | 30                  | 2                               | 32                   | 64    | 15   | <b>62</b>        | <b>15</b> |
| South Ayrshire       | 23                  | 26                              | 7                    | 56    | 13   | <b>54</b>        | <b>13</b> |
| South Lanarkshire    | 19                  | 30                              | 27                   | 76    | 22   | <b>74</b>        | <b>22</b> |
| Stirling             | 7                   | 32                              | 12                   | 51    | 10   | <b>50</b>        | <b>10</b> |
| West Dunbartonshire  | 21                  | 54                              | 26                   | 101   | 31   | <b>98</b>        | <b>31</b> |
| West Lothian         | 2                   | 40                              | 31                   | 73    | 20   | <b>71</b>        | <b>20</b> |

## 5 BUSINESS EFFICIENCY

### 5.1 Introduction

Business Efficiency as defined involved an assessment of the labour market at a LAA level combined with an analysis of the potential impact of relocation on staff retention levels. This was carried out by BiGGAR Economics. The section below outlines the methodology adopted and reasons for doing so in assessing the labour market and staff retention in the context of the relocation of ROS. For the avoidance of doubt this does not take into account the short to medium-term impact upon business efficiency resulting from the relocation process itself.

### 5.2 Labour Market Indicators (LMI)

*Table 5.1: Labour Market Indicators and their sources* below, shows the various Labour Market indices used in the model and the corresponding sources.

| Measurement                 | Source   |
|-----------------------------|--|
| Location Quotients          | Annual Business Inquiry 2002   |
| Sector Employment           | Annual Business Inquiry 2002   |
| Qualifications              | Scrol (2001 census) & Labour Force Survey 2002                             |
| Claimant Count              | Office for National Statistics   |
| Median Weekly Earnings      | Office for National Statistics, Annual Survey of Hours and Earnings (ASHE) |
| Employment Rate             | Labour Force Survey 2002   |
| Economic Activity Rate      | Labour Force Survey 2002   |
| Challenges Employers Face   | Futureskills Scotland Skills Survey 2003                                   |
| Turnover and Recruitment    | Futureskills Scotland Skills Survey 2003                                   |
| Skill Gaps, Skill Shortages | Futureskills Scotland Skills Survey 2003                                   |

These 10 categories involved 38 indices in total. Each index was given a ranking. For example, City of Edinburgh had the largest number of people with Level 4 qualifications, so it received a ranking of 32; Glasgow City was second so it received a ranking of 31, and so on.

It was not expected that each individual index would be factored into the final decision. Therefore the most appropriate six were chosen for weighting, thus producing a scoring system. This itself was totalled, giving a final ranking of each LAA.

Table 5.2: *Chosen Labour Market Indices* shows the six indices chosen from the 38 indices in total.

| Indices   | Weighting (100) |
|---|-----------------|
| Number with Level 4 Qualifications (of all people aged 16-74) | 30              |
| Number of economically active people                          | 25              |
| Labour Turnover Rate  | 18              |
| % of companies reporting problems attracting skilled staff    | 15              |
| % Expecting Recruitment Problems                              | 6               |
| % of employees with Skill Gaps                                | 6               |

The reason each indices was chosen and the weightings they were given is as follows:

- Number with Level 4 Qualifications i.e. number of those with First Degrees, Higher Degrees, and Professional Qualifications was chosen because this is the pool from which Registers of Scotland is likely to employ key staff<sup>1</sup>. This was therefore given the largest weighting of 30.
- Number of economically active people is a very good proxy for the size of the labour market in that Local Authority. The larger the pool of labour ROS can draw upon the greater the chance it has in meeting its labour requirements locally and so was given the second highest weighting of 25.
- Labour Turnover is a significant issue for most employers – it imposes costs on them that most wish to avoid; replacement costs (recruiting and interviewing new employers), transition costs (including induction programmes and training costs), and, although more relevant for employers rather than others, indirect costs (a possible loss of customer service while new workers are trained and gain relevant work experience); this was therefore given the third highest weighting of 18
- In conjunction with a high labour turnover rate, having problems attracting skilled staff can inflate costs substantially; a crucial element that warranted the fourth weighting of 15.
- The percentage of companies expecting recruitment problems is also a factor that upon first impression might not be important. However, given the potential scale of recruitment required by ROS, this is a valuable indication. This index, in light of its slightly lower importance, was given a weighting of six.
- A Skill Gap exists when someone who is in a job is judged by their employer not to be fully proficient. This was judged to be an important consideration as it gives an indication of how employees are performing in the workplace regardless of their qualification. For example, an area may have a large number of individuals with the necessary qualifications yet it may be host to people with skill gaps in other areas. This was given a weighting of six.

<sup>1</sup> For an overview of the skills profile of ROS's existing staff, please refer to Appendix 2.

Table 5.3: Labour Market Indicators, Raw Data Summary 1 below displays the raw data for indices one and two.

**Table 5.3: Labour Market Indicators, Raw Data Summary 1**

|                      | Number with Level 4 Qualifications | Number of Economically Active, All People |
|----------------------|------------------------------------|---|
| Aberdeen City        | 38940                              | 109000                                    |
| Aberdeenshire        | 33642                              | 119000                                    |
| Angus                | 14280                              | 52000                                     |
| Argyll & Bute        | 14980                              | 43000                                     |
| Clackmannanshire     | 5410                               | 20000                                     |
| Dumfries & Galloway  | 17617                              | 70000                                     |
| Dundee City          | 18955                              | 69000                                     |
| East Ayrshire        | 11505                              | 57000                                     |
| East Dunbartonshire  | 22826                              | 51000                                     |
| East Lothian         | 12826                              | 40000                                     |
| East Renfrewshire    | 18389                              | 45000                                     |
| Edinburgh, City of   | 111211                             | 241000                                    |
| Eilean Siar          | 3506                               | 11000                                     |
| Falkirk              | 15117                              | 68000                                     |
| Fife                 | 44865                              | 174000                                    |
| Glasgow City         | 77314                              | 251000                                    |
| Highland             | 29870                              | 104000                                    |
| Inverclyde           | 8830                               | 35000                                     |
| Midlothian           | 9079                               | 40000                                     |
| Moray                | 11284                              | 44000                                     |
| North Ayrshire       | 14474                              | 61000                                     |
| North Lanarkshire    | 28612                              | 155000                                    |
| Orkney Islands       | 2704                               | 11000                                     |
| Perthshire & Kinross | 23068                              | 69000                                     |
| Renfrewshire         | 22430                              | 90000                                     |
| Scottish Borders     | 15816                              | 49000                                     |
| Shetland Islands     | 3179                               | 12000                                     |
| South Ayrshire       | 16670                              | 53000                                     |
| South Lanarkshire    | 35757                              | 150000                                    |
| Stirling             | 16928                              | 37000                                     |
| West Dunbartonshire  | 8166                               | 48000                                     |
| West Lothian         | 18359                              | 83000                                     |

Table 5.4: Labour Market Indicators, Raw Data Summary 2 below shows the raw data for the four indices taken from the Futureskills Scotland Skills Survey 2003.

**Table 5.4: Labour Market Indicators, Raw Data Summary 2**

|                              | Companies Experiencing Problems Attracting Skilled Staff | Labour Turnover Rate | Companies Expecting Recruitment Problems | Employees with Skill Gaps |
|------------------------------|--|----------------------|--|---------------------------|
| Grampian                     | 31%  | 24%                  | 24%                                      | 7%                        |
| Tayside                      | 18%  | 20%                  | 18%                                      | 6%                        |
| Fife                         | 7%   | 18%                  | 13%                                      | 5%                        |
| Forth Valley                 | 18%  | 18%                  | 15%                                      | 5%                        |
| Edinburgh & Lothians         | 15%  | 24%                  | 24%                                      | 7%                        |
| Borders                      | 6%   | 18%                  | 24%                                      | 7%                        |
| Dumfries & Galloway          | 10%  | 18%                  | 17%                                      | 5%                        |
| Ayrshire                     | 10%  | 17%                  | 14%                                      | 6%                        |
| Lanarkshire                  | 7%   | 18%                  | 16%                                      | 6%                        |
| Dunbartonshire               | 11%  | 21%                  | 16%                                      | 6%                        |
| Glasgow                      | 18%  | 20%                  | 17%                                      | 6%                        |
| Renfrewshire                 | 12%  | 19%                  | 17%                                      | 7%                        |
| Argyll & the Islands         | 12%  | 20%                  | 22%                                      | 8%                        |
| Western Isles                | 7%   | 16%                  | 19%                                      | 5%                        |
| Orkney Islands               | 14%  | 21%                  | 20%                                      | 4%                        |
| Shetland Islands             | 12%  | 24%                  | 23%                                      | 6%                        |
| Moray, Badenoch & Strathspey | 17%  | 19%                  | 20%                                      | 8%                        |
| Highland                     | 17%  | 21%                  | 24%                                      | 10%                       |

### 5.2.1 LMI (Overall)

Table 5.4: Labour Market Indicators, Raw Data Summary 2 above, shows that the raw data for indices four to six were only available at a Local Enterprise Company (LEC) area. Therefore it was necessary to identify the council areas each LEC incorporates. When it came to calculating the score for each LAA, the corresponding LEC statistic was used. For example, the score under Grampian was used for both Aberdeen City and Aberdeenshire.

Statistics for Lochaber, Skye and Lochalsh, Inverness and Nairn, Ross & Cromarty, Caithness and Sutherland were amalgamated to give a figure for Highland Council. Moray, Badenoch & Strathspey Enterprise covers an area that coincides with Highland Council and Moray Council. However a straight correspondence between Moray Council and Moray, Badenoch & Strathspey Enterprise was assumed.

*Table 5.5: Labour Market Indicators: Scorings and Rankings* below, shows the total score achieved by each LAA. This was attained by ranking each LAA by each index then multiplying their rankings under each index by the weighting, then totalling up the score achieved by each LAA. This total score was itself then ranked and based to 100. The results show that Fife scores the highest, followed by South Lanarkshire, North Lanarkshire, Glasgow City, and City of Edinburgh respectively.

**Table 5.5: Labour Market Indicators: Scorings and Rankings**

|                      | Total Score | Rank | Total Score<br>(with base<br>100) | Rank |
|----------------------|-------------|------|-----------------------------------|------|
| Aberdeen City        | 1583        | 24   | 69                                | 24   |
| Aberdeenshire        | 1548        | 23   | 68                                | 23   |
| Angus                | 954         | 10   | 42                                | 10   |
| Argyll & Bute        | 980         | 11   | 43                                | 11   |
| Clackmannanshire     | 616         | 4    | 27                                | 4    |
| Dumfries & Galloway  | 1679        | 27   | 73                                | 27   |
| Dundee City          | 1379        | 18   | 60                                | 18   |
| East Ayrshire        | 1334        | 16   | 58                                | 16   |
| East Dunbartonshire  | 1498        | 22   | 65                                | 22   |
| East Lothian         | 646         | 5    | 28                                | 5    |
| East Renfrewshire    | 1152        | 13   | 50                                | 13   |
| Edinburgh, City of   | 1906        | 28   | 83                                | 28   |
| Eilean Siar          | 843         | 8    | 37                                | 8    |
| Falkirk              | 1341        | 17   | 59                                | 17   |
| Fife                 | 2292        | 32   | 100                               | 32   |
| Glasgow City         | 1985        | 29   | 87                                | 29   |
| Highland             | 1615        | 25   | 70                                | 25   |
| Inverclyde           | 832         | 7    | 36                                | 7    |
| Midlothian           | 606         | 3    | 26                                | 3    |
| Moray                | 752         | 6    | 33                                | 6    |
| North Ayrshire       | 1474        | 21   | 64                                | 21   |
| North Lanarkshire    | 2057        | 30   | 90                                | 30   |
| Orkney Islands       | 409         | 2    | 18                                | 2    |
| Perthshire & Kinross | 1419        | 19   | 62                                | 19   |
| Renfrewshire         | 1662        | 26   | 73                                | 26   |
| Scottish Borders     | 1309        | 15   | 57                                | 15   |
| Shetland Islands     | 365         | 1    | 16                                | 1    |
| South Ayrshire       | 1469        | 20   | 64                                | 20   |
| South Lanarkshire    | 2122        | 31   | 93                                | 31   |
| Stirling             | 1031        | 12   | 45                                | 12   |
| West Dunbartonshire  | 858         | 9    | 37                                | 9    |
| West Lothian         | 1291        | 14   | 56                                | 14   |

### 5.3 Staff Retention

The ROS staff survey revealed that a maximum of 32% of Meadowbank House staff were prepared to consider relocation. However the areas to which they indicated they would consider relocating were spread throughout Scotland. This means that any relocation outwith Edinburgh could involve the loss of more than 70% of Edinburgh based staff.

While the information on areas staff were prepared to consider was not collected on an LAA basis it has been used in conjunction with other work done elsewhere within the Executive to provide an estimate of staff retention levels. A further survey will be carried out at Stage 2 to confirm likely retention levels on a location by location basis

*Table 5.6: ROS Survey Relocation by Grade and Staff Grade Weightings* below shows the weightings and the percentage of staff retained by grade. Those positions requiring less qualifications and experience were given a lower weighting than those requiring high levels of qualifications and experience, reflecting the relative importance and potential impact on ROS of losing the more highly skilled members of its workforce.

**Table 5.6: ROS Survey Relocation by Grade and Staff Grade Weightings**

| Grade                      | % Staff Retained | Weighting (out of 1) |
|----------------------------|------------------|----------------------|
| SO2                        | 24               | 0.05                 |
| SO1                        | 38               | 0.1                  |
| RO2 or equivalent          | 34               | 0.15                 |
| RO1 or equivalent          | 37               | 0.3                  |
| STL or equivalent or above | 26               | 0.4                  |

Table 5.7: *Percentage of Edinburgh Staff Retained* below, shows the percentage of Edinburgh staff retained by grade across each LAA. These figures are theoretical and based upon a calculation involving the ratio of staff by grade and the experience elsewhere within the SE and in particular work done by the Scottish Funding Councils for Further and Higher Education.

**Table 5.7: Percentage of Edinburgh Staff Retained**

|                      | SO2   | SO1   | RO2   | RO1   | STL+  |
|----------------------|-------|-------|-------|-------|-------|
| Aberdeen City        | 18.0  | 28.5  | 25.5  | 29.3  | 19.5  |
| Aberdeenshire        | 9.0   | 14.3  | 12.8  | 14.6  | 9.8   |
| Angus                | 9.8   | 15.4  | 13.8  | 15.8  | 10.6  |
| Argyll & Bute        | 7.5   | 11.9  | 10.6  | 12.2  | 8.1   |
| Clackmannanshire     | 28.5  | 45.1  | 40.4  | 46.3  | 30.9  |
| Dumfries & Galloway  | 12.0  | 19.0  | 17.0  | 19.5  | 13.0  |
| Dundee City          | 27.0  | 42.8  | 38.3  | 43.9  | 29.3  |
| East Ayrshire        | 7.5   | 11.9  | 10.6  | 12.2  | 8.1   |
| East Dunbartonshire  | 15.8  | 24.9  | 22.3  | 25.6  | 17.1  |
| East Lothian         | 47.3  | 74.8  | 66.9  | 76.8  | 51.2  |
| East Renfrewshire    | 9.8   | 15.4  | 13.8  | 15.8  | 10.6  |
| Edinburgh, City of   | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Eilean Siar          | 6.8   | 10.7  | 9.6   | 11.0  | 7.3   |
| Falkirk              | 53.3  | 84.3  | 75.4  | 86.5  | 57.7  |
| Fife                 | 42.8  | 67.7  | 60.6  | 69.5  | 46.3  |
| Glasgow City         | 45.0  | 71.3  | 63.8  | 73.1  | 48.8  |
| Highland             | 12.0  | 19.0  | 17.0  | 19.5  | 13.0  |
| Inverclyde           | 8.3   | 13.1  | 11.7  | 13.4  | 8.9   |
| Midlothian           | 55.5  | 87.9  | 78.6  | 90.2  | 60.1  |
| Moray                | 9.8   | 15.4  | 13.8  | 15.8  | 10.6  |
| North Ayrshire       | 8.3   | 13.1  | 11.7  | 13.4  | 8.9   |
| North Lanarkshire    | 19.5  | 30.9  | 27.6  | 31.7  | 21.1  |
| Orkney Islands       | 6.8   | 10.7  | 9.6   | 11.0  | 7.3   |
| Perthshire & Kinross | 34.5  | 54.6  | 48.9  | 56.1  | 37.4  |
| Renfrewshire         | 9.8   | 15.4  | 13.8  | 15.8  | 10.6  |
| Scottish Borders     | 21.8  | 34.4  | 30.8  | 35.3  | 23.6  |
| Shetland Islands     | 6.8   | 10.7  | 9.6   | 11.0  | 7.3   |
| South Ayrshire       | 9.0   | 14.3  | 12.8  | 14.6  | 9.8   |
| South Lanarkshire    | 19.5  | 30.9  | 27.6  | 31.7  | 21.1  |
| Stirling             | 48.8  | 77.2  | 69.1  | 79.2  | 52.8  |
| West Dunbartonshire  | 9.0   | 14.3  | 12.8  | 14.6  | 9.8   |
| West Lothian         | 54.8  | 86.7  | 77.6  | 89.0  | 59.3  |

Table 5.8: Staff Retention: Scorings and Rankings below shows the weighted score of staff retention and the resultant rankings. Obviously City of Edinburgh comes out top. That aside, Midlothian scores most highly, followed by West Lothian, Falkirk, Stirling, and East Lothian respectively.

**Table 5.8: Staff Retention: Scorings and Rankings**

|                      | Weighted Score | Rank | Total Score (with Base 100) | Rank |
|----------------------|----------------|------|-----------------------------|------|
| Aberdeen City        | 24.15          | 18   | 24.74                       | 18   |
| Aberdeenshire        | 12.08          | 8    | 12.37                       | 8    |
| Angus                | 13.08          | 11   | 13.40                       | 11   |
| Argyll & Bute        | 10.06          | 4    | 10.31                       | 4    |
| Clackmannanshire     | 38.24          | 23   | 39.17                       | 23   |
| Dumfries & Galloway  | 16.10          | 15   | 16.49                       | 15   |
| Dundee City          | 36.23          | 22   | 37.11                       | 22   |
| East Ayrshire        | 10.06          | 4    | 10.31                       | 4    |
| East Dunbartonshire  | 21.13          | 17   | 21.65                       | 17   |
| East Lothian         | 63.39          | 27   | 64.95                       | 27   |
| East Renfrewshire    | 13.08          | 11   | 13.40                       | 11   |
| Edinburgh, City of   | 100            | 32   | 100                         | 32   |
| Eilean Siar          | 9.06           | 1    | 9.28                        | 1    |
| Falkirk              | 71.44          | 29   | 73.19                       | 29   |
| Fife                 | 57.36          | 25   | 58.76                       | 25   |
| Glasgow City         | 60.38          | 26   | 61.85                       | 26   |
| Highland             | 16.10          | 15   | 16.49                       | 15   |
| Inverclyde           | 11.07          | 6    | 11.34                       | 6    |
| Midlothian           | 74.46          | 31   | 76.29                       | 31   |
| Moray                | 13.08          | 11   | 13.40                       | 11   |
| North Ayrshire       | 11.07          | 6    | 11.34                       | 6    |
| North Lanarkshire    | 26.16          | 19   | 26.80                       | 19   |
| Orkney Islands       | 9.06           | 1    | 9.28                        | 1    |
| Perthshire & Kinross | 46.29          | 24   | 47.42                       | 24   |
| Renfrewshire         | 13.08          | 11   | 13.40                       | 11   |
| Scottish Borders     | 29.18          | 21   | 29.90                       | 21   |
| Shetland Islands     | 9.06           | 1    | 9.28                        | 1    |
| South Ayrshire       | 12.08          | 8    | 12.37                       | 8    |
| South Lanarkshire    | 26.16          | 19   | 26.80                       | 19   |
| Stirling             | 65.41          | 28   | 67.01                       | 28   |
| West Dunbartonshire  | 12.08          | 8    | 12.37                       | 8    |
| West Lothian         | 73.46          | 30   | 75.25                       | 30   |

## 5.4 Business Efficiency Overall

Table 5.9: Business Efficiency: Scorings and Rankings below brings together the Labour Market Indicators and Staff Retention scores, applies their respective weightings (60% and 40%), scores them and ranks them. It can be seen that, as would be expected, **City of Edinburgh** comes out on top. That aside, **Fife** comes scores most highly followed by **Glasgow City**, **South Lanarkshire**, **North Lanarkshire**, and **Falkirk**.

**Table 5.9: Business Efficiency: Scorings and Rankings**

|                      | LMI | Staff Retention | Total | Rank | Total Score (base 100) | Rank      |
|----------------------|-----|-----------------|-------|------|------------------------|-----------|
| Aberdeen City        | 69  | 25              | 5134  | 23   | <b>57</b>              | <b>23</b> |
| Aberdeenshire        | 68  | 12              | 4547  | 15   | <b>51</b>              | <b>15</b> |
| Angus                | 42  | 13              | 3033  | 8    | <b>34</b>              | <b>8</b>  |
| Argyll & Bute        | 43  | 10              | 2978  | 7    | <b>33</b>              | <b>7</b>  |
| Clackmannanshire     | 27  | 39              | 3180  | 9    | <b>35</b>              | <b>9</b>  |
| Dumfries & Galloway  | 73  | 16              | 5055  | 21   | <b>56</b>              | <b>21</b> |
| Dundee City          | 60  | 37              | 5094  | 22   | <b>57</b>              | <b>22</b> |
| East Ayrshire        | 58  | 10              | 3905  | 11   | <b>43</b>              | <b>11</b> |
| East Dunbartonshire  | 65  | 22              | 4787  | 18   | <b>53</b>              | <b>18</b> |
| East Lothian         | 28  | 65              | 4289  | 12   | <b>48</b>              | <b>12</b> |
| East Renfrewshire    | 50  | 13              | 3552  | 10   | <b>40</b>              | <b>10</b> |
| Edinburgh, City of   | 83  | 100             | 8990  | 32   | <b>100</b>             | <b>32</b> |
| Eilean Siar          | 37  | 9               | 2578  | 4    | <b>29</b>              | <b>4</b>  |
| Falkirk              | 59  | 73              | 6438  | 27   | <b>72</b>              | <b>27</b> |
| Fife                 | 100 | 59              | 8350  | 31   | <b>93</b>              | <b>31</b> |
| Glasgow City         | 87  | 62              | 7670  | 30   | <b>85</b>              | <b>30</b> |
| Highland             | 70  | 16              | 4888  | 20   | <b>54</b>              | <b>20</b> |
| Inverclyde           | 36  | 11              | 2632  | 5    | <b>29</b>              | <b>5</b>  |
| Midlothian           | 26  | 76              | 4638  | 17   | <b>52</b>              | <b>17</b> |
| Moray                | 33  | 13              | 2505  | 3    | <b>28</b>              | <b>3</b>  |
| North Ayrshire       | 64  | 11              | 4312  | 13   | <b>48</b>              | <b>13</b> |
| North Lanarkshire    | 90  | 27              | 6457  | 28   | <b>72</b>              | <b>28</b> |
| Orkney Islands       | 18  | 9               | 1442  | 2    | <b>16</b>              | <b>2</b>  |
| Perthshire & Kinross | 62  | 47              | 5611  | 25   | <b>62</b>              | <b>25</b> |
| Renfrewshire         | 73  | 13              | 4887  | 19   | <b>54</b>              | <b>19</b> |
| Scottish Borders     | 57  | 30              | 4623  | 16   | <b>51</b>              | <b>16</b> |
| Shetland Islands     | 16  | 9               | 1327  | 1    | <b>15</b>              | <b>1</b>  |
| South Ayrshire       | 64  | 12              | 4340  | 14   | <b>48</b>              | <b>14</b> |
| South Lanarkshire    | 93  | 27              | 6627  | 29   | <b>74</b>              | <b>29</b> |
| Stirling             | 45  | 67              | 5379  | 24   | <b>60</b>              | <b>24</b> |
| West Dunbartonshire  | 37  | 12              | 2741  | 6    | <b>30</b>              | <b>6</b>  |
| West Lothian         | 56  | 75              | 6390  | 26   | <b>71</b>              | <b>26</b> |

## 6 PROPERTY

### 6.1 Introduction

This section outlines the methods adopted in assessing each LAA in terms of property availability. The data for this section was provided by GVA Grimley. Section 6.3 provides details of the scorings and rankings used in analysing the property data.

### 6.2 Property: Raw Data

*Table 6.1: Property Indices: Weightings* below shows the four indices and the corresponding weightings used. The number of existing offices was given the largest weighting.

| Index                               | Weighting |
|-------------------------------------|-----------|
| No. of Sites Available              | 5         |
| No. of Proposed Office Developments | 10        |
| No. of Existing Offices             | 55        |
| Approximate Land Values (re-based)  | 20        |

Table 6.2: Property: Raw Data below gives the data provided by GVA Grimley. Approximate land values per LAA were given in £000's per acre. This was then ranked and then based to 5 to give a data set comparable to the other indices.

**Table 6.2: Property: Raw Data**

|                      | No. of Sites Available | No. of Proposed Office Developments | No. of Existing Offices | Approximate Land Values (re-based) |
|----------------------|------------------------|-------------------------------------|-------------------------|------------------------------------|
| Aberdeen City        | 4                      |                                     |                         | 0.47                               |
| Aberdeenshire        | 9                      |                                     |                         | 0.78                               |
| Angus                | 3                      |                                     |                         | 3.59                               |
| Argyll & Bute        | 2                      |                                     |                         | 2.66                               |
| Clackmannanshire     | 1                      |                                     |                         | 2.66                               |
| Dumfries & Galloway  | 2                      |                                     |                         | 2.66                               |
| Dundee City          | 3                      |                                     |                         | 0.78                               |
| East Ayrshire        | 4                      |                                     |                         | 4.06                               |
| East Dunbartonshire  | 1                      |                                     |                         | 2.03                               |
| East Lothian         | 0                      |                                     |                         | 2.03                               |
| East Renfrewshire    | 1                      |                                     |                         | 0.78                               |
| Edinburgh, City of   | 1                      | 3                                   | 1                       | 0.16                               |
| Eilean Siar          | 1                      |                                     |                         | 4.22                               |
| Falkirk              | 4                      |                                     |                         | 2.03                               |
| Fife                 | 6                      |                                     |                         | 1.88                               |
| Glasgow City         | 4                      | 5                                   | 3                       | 0.16                               |
| Highland             | 3                      |                                     |                         | 4.22                               |
| Inverclyde           | 0                      |                                     |                         | 2.66                               |
| Midlothian           | 1                      |                                     |                         | 2.03                               |
| Moray                | 2                      |                                     |                         | 2.66                               |
| North Ayrshire       | 2                      |                                     |                         | 4.22                               |
| North Lanarkshire    | 22                     |                                     |                         | 2.66                               |
| Orkney Islands       | 0                      |                                     |                         | 4.84                               |
| Perthshire & Kinross | 1                      |                                     |                         | 0.78                               |
| Renfrewshire         | 1                      | 1                                   |                         | 0.47                               |
| Scottish Borders     | 0                      |                                     |                         | 4.22                               |
| Shetland Islands     | 0                      |                                     |                         | 4.84                               |
| South Ayrshire       | 2                      |                                     |                         | 1.41                               |
| South Lanarkshire    | 9                      | 1                                   |                         | 3.59                               |
| Stirling             | 8                      |                                     |                         | 1.41                               |
| West Dunbartonshire  | 1                      |                                     |                         | 1.72                               |
| West Lothian         | 5                      |                                     | 2                       | 3.59                               |

## 6.3 Property: Scorings and Rankings

Table 6.3: *Property: Scorings and Weightings* below, gives the weighted score for the Property criteria, and the resultant rankings. **Glasgow City**, with its four currently available sites, comes out top of the 32 LAAs, followed by **West Lothian**, **North Lanarkshire**, **South Lanarkshire**, **City of Edinburgh**, and **East Ayrshire**.

**Table 6.3: Property: Scorings and Weightings**

|                      | Weighted Score | Rank | Total Score (with Base 100) | Rank      |
|----------------------|----------------|------|-----------------------------|-----------|
| Aberdeen City        | 29.38          | 3    | <b>10</b>                   | <b>3</b>  |
| Aberdeenshire        | 60.63          | 13   | <b>21</b>                   | <b>13</b> |
| Angus                | 86.88          | 21   | <b>30</b>                   | <b>21</b> |
| Argyll & Bute        | 63.13          | 15   | <b>22</b>                   | <b>15</b> |
| Clackmannanshire     | 58.13          | 12   | <b>20</b>                   | <b>12</b> |
| Dumfries & Galloway  | 63.13          | 15   | <b>22</b>                   | <b>15</b> |
| Dundee City          | 30.63          | 4    | <b>11</b>                   | <b>4</b>  |
| East Ayrshire        | 101.25         | 27   | <b>35</b>                   | <b>27</b> |
| East Dunbartonshire  | 45.63          | 9    | <b>16</b>                   | <b>9</b>  |
| East Lothian         | 40.63          | 8    | <b>14</b>                   | <b>8</b>  |
| East Renfrewshire    | 20.63          | 1    | <b>7</b>                    | <b>1</b>  |
| Edinburgh, City of   | 123.13         | 28   | <b>43</b>                   | <b>28</b> |
| Eilean Siar          | 89.38          | 22   | <b>31</b>                   | <b>22</b> |
| Falkirk              | 60.63          | 13   | <b>21</b>                   | <b>13</b> |
| Fife                 | 67.50          | 18   | <b>23</b>                   | <b>18</b> |
| Glasgow City         | 288.13         | 32   | <b>100</b>                  | <b>32</b> |
| Highland             | 99.38          | 26   | <b>34</b>                   | <b>26</b> |
| Inverclyde           | 53.13          | 11   | <b>18</b>                   | <b>11</b> |
| Midlothian           | 45.63          | 9    | <b>16</b>                   | <b>9</b>  |
| Moray                | 63.13          | 15   | <b>22</b>                   | <b>15</b> |
| North Ayrshire       | 94.38          | 23   | <b>33</b>                   | <b>23</b> |
| North Lanarkshire    | 163.13         | 30   | <b>57</b>                   | <b>30</b> |
| Orkney Islands       | 96.88          | 24   | <b>34</b>                   | <b>24</b> |
| Perthshire & Kinross | 20.63          | 1    | <b>7</b>                    | <b>1</b>  |
| Renfrewshire         | 34.38          | 5    | <b>12</b>                   | <b>5</b>  |
| Scottish Borders     | 84.38          | 20   | <b>29</b>                   | <b>20</b> |
| Shetland Islands     | 96.88          | 24   | <b>34</b>                   | <b>24</b> |
| South Ayrshire       | 38.13          | 6    | <b>13</b>                   | <b>6</b>  |
| South Lanarkshire    | 136.88         | 29   | <b>48</b>                   | <b>29</b> |
| Stirling             | 68.13          | 19   | <b>24</b>                   | <b>19</b> |
| West Dunbartonshire  | 39.38          | 7    | <b>14</b>                   | <b>7</b>  |
| West Lothian         | 206.88         | 31   | <b>72</b>                   | <b>31</b> |

## 7 TRANSPORT

### 7.1 Introduction

The assessment of each LAA in terms of transport is based on the Scottish Funding Council's relocation review. The data used in the analysis is provided in section 6.2, with section 6.3 giving the scoring and ranking results of the analysis.

### 7.2 Transport: Data

*Table 7.1: Transport Indices Weightings* below shows the indices transport was assessed against and the corresponding weightings each index was given.

**Table 7.1: Transport Indices Weightings**

| Index        | Weighting (%) |
|--------------|---------------|
| Rail         | 25            |
| Bus          | 25            |
| Road         | 10            |
| Commute Time | 40            |

*Table 7.2: Transport Indices Data* on the next page shows the transport data provided by the SFC relocation review. Each LAA was rated between one and five (five being the best) on how well it performs in terms of rail, bus, and road transport. The SFC Relocation Review included Air Transport, however this was thought unnecessary for ROS because a requirement for stakeholder and staff access to air transport is minimal.

The scoring for 'Commute Time' was developed by BiGGAR Economics. The number of economically active individuals of a working age<sup>2</sup> was considered against the geographical spread of the LAA. Local Authorities with greater than 100,000 individuals were considered first. For example, Aberdeen City has 109,000 economically active individuals while Aberdeenshire has 119,000. However, the spread of the 119,000 individuals in Aberdeenshire is obviously much greater due to the size of Aberdeenshire in comparison to Aberdeen City. Aberdeen City therefore scored five, due to its concentration of a fairly large number of economically active individuals in a small area. It could therefore be assumed that commute time would be significantly less for those residing within Aberdeen City than those within Aberdeenshire.

A similar argument could be made for Glasgow City and City of Edinburgh. With the transport infrastructure both cities provide, and the concentration of a large number of economically active individuals, it is logical therefore to assume that commute time would be lowest in these areas, and so both also received a score of five.

<sup>2</sup> Source: Labour Force Survey, 2002

Conversely, Highland received a score of one. Despite having a large number of economically active individuals, these are, comparatively speaking, widely geographically dispersed; therefore commute time would be significantly higher than for other LAAs.

Scottish Borders also received a score of one. This was a combination of its size and its low number of economically active individuals. This low number increases the likeliness that vacancies would have to be filled by individuals out with the Scottish Borders LAA, therefore increasing commute time further.

The reasoning outlined above was applied to each individual LAA, and resulted in us arriving at a score out of five for each LAA which was then given its appropriate weighting.

Table 7.2: Transport Indices Data below shows the transport data provided by the SFC relocation review.

**Table 7.2: Transport Indices Data**

|                      | Rail | Bus | Road | Commute Time |
|----------------------|------|-----|------|--------------|
| Aberdeen City        | 5    | 5   | 5    | 5            |
| Aberdeenshire        | 2    | 2   | 2    | 3            |
| Angus                | 3    | 3   | 3    | 2            |
| Argyll & Bute        | 2    | 2   | 2    | 1            |
| Clackmannanshire     | 1    | 2   | 2    | 1            |
| Dumfries & Galloway  | 2    | 3   | 3    | 2            |
| Dundee City          | 5    | 4   | 5    | 3            |
| East Ayrshire        | 2    | 2   | 2    | 2            |
| East Dunbartonshire  | 3    | 2   | 2    | 2            |
| East Lothian         | 2    | 2   | 3    | 2            |
| East Renfrewshire    | 2    | 2   | 3    | 3            |
| Edinburgh, City of   | 5    | 5   | 5    | 5            |
| Eilean Siar          | 1    | 1   | 2    | 1            |
| Falkirk              | 4    | 3   | 4    | 2            |
| Fife                 | 4    | 4   | 4    | 3            |
| Glasgow City         | 5    | 5   | 5    | 5            |
| Highland             | 2    | 2   | 2    | 1            |
| Inverclyde           | 2    | 2   | 2    | 2            |
| Midlothian           | 3    | 3   | 4    | 3            |
| Moray                | 3    | 2   | 2    | 2            |
| North Ayrshire       | 2    | 2   | 2    | 2            |
| North Lanarkshire    | 3    | 3   | 3    | 5            |
| Orkney Islands       | 1    | 1   | 2    | 1            |
| Perthshire & Kinross | 2    | 3   | 3    | 2            |
| Renfrewshire         | 2    | 3   | 4    | 3            |
| Scottish Borders     | 2    | 3   | 3    | 1            |
| Shetland Islands     | 1    | 1   | 2    | 1            |
| South Ayrshire       | 2    | 2   | 3    | 2            |
| South Lanarkshire    | 2    | 3   | 2    | 3            |
| Stirling             | 4    | 5   | 5    | 2            |
| West Dunbartonshire  | 2    | 2   | 3    | 2            |
| West Lothian         | 2    | 3   | 5    | 3            |

### 7.3 Transport: Scorings and Rankings

Table 7.3: *Transport: Scorings and Rankings* below gives the weighted transport score for each LAA with the associated rankings. Not surprisingly, **Aberdeen City, City of Edinburgh, and Glasgow City** score the same (100) with **Dundee City** coming fourth but in terms of scoring a lot further behind (79). Thereafter we have **North Lanarkshire, Fife**, and then **Stirling**.

**Table 7.3: Transport: Scorings and Rankings**

|                      | Weighted Score | Rank | Total Score with base 100 | Rank |
|----------------------|----------------|------|---------------------------|------|
| Aberdeen City        | 5.0            | 30   | 100                       | 30   |
| Aberdeenshire        | 2.4            | 18   | 48                        | 18   |
| Angus                | 2.6            | 20   | 52                        | 20   |
| Argyll & Bute        | 1.6            | 5    | 32                        | 5    |
| Clackmannanshire     | 1.4            | 4    | 27                        | 4    |
| Dumfries & Galloway  | 2.4            | 16   | 47                        | 16   |
| Dundee City          | 4.0            | 29   | 79                        | 29   |
| East Ayrshire        | 2.0            | 8    | 40                        | 8    |
| East Dunbartonshire  | 2.3            | 14   | 45                        | 14   |
| East Lothian         | 2.1            | 11   | 42                        | 11   |
| East Renfrewshire    | 2.5            | 19   | 50                        | 19   |
| Edinburgh, City of   | 5.0            | 30   | 100                       | 30   |
| Eilean Siar          | 1.1            | 1    | 22                        | 1    |
| Falkirk              | 3.0            | 23   | 59                        | 23   |
| Fife                 | 3.6            | 27   | 72                        | 27   |
| Glasgow City         | 5.0            | 30   | 100                       | 30   |
| Highland             | 1.6            | 5    | 32                        | 5    |
| Inverclyde           | 2.0            | 8    | 40                        | 8    |
| Midlothian           | 3.1            | 25   | 62                        | 25   |
| Moray                | 2.3            | 14   | 45                        | 14   |
| North Ayrshire       | 2.0            | 8    | 40                        | 8    |
| North Lanarkshire    | 3.8            | 28   | 76                        | 28   |
| Orkney Islands       | 1.1            | 1    | 22                        | 1    |
| Perthshire & Kinross | 2.4            | 16   | 47                        | 16   |
| Renfrewshire         | 2.9            | 22   | 57                        | 22   |
| Scottish Borders     | 2.0            | 7    | 39                        | 7    |
| Shetland Islands     | 1.1            | 1    | 22                        | 1    |
| South Ayrshire       | 2.1            | 11   | 42                        | 11   |
| South Lanarkshire    | 2.7            | 21   | 53                        | 21   |
| Stirling             | 3.6            | 26   | 71                        | 26   |
| West Dunbartonshire  | 2.1            | 11   | 42                        | 11   |
| West Lothian         | 3.0            | 23   | 59                        | 23   |

## 8 OVERALL ANALYSIS

### 8.1 Introduction

This section delivers the overall analysis of the four criteria discussed in the chapters above. Section 7.2 gives the overall analysis with the very final scorings and rankings of each LAA. The weightings each criterion received in the overall ranking were set out in section 2.2.

### 8.2 Final Scorings and Rankings

*Table 8.1: Overall LAA Rankings* on the next page gives the weighted scores of each of the four criteria, the total score and the final ranking.

The Guidance states that the objective of the first stage is to sift the wide range of locations down to seven sites that warrant more detailed investigation. These seven LAAs will be the subject of a comprehensive economic appraisal in Stage 2 of the Registers of Scotland relocation review:

- Glasgow City;
- Fife;
- North Lanarkshire;
- North Ayrshire;
- West Lothian;
- South Lanarkshire; and
- City of Edinburgh.

Table 8.1: Overall LAA Rankings below gives the weighted scores of each of the four criteria, the total score and the final ranking.

**Table 8.1: Overall LAA Rankings**

|                      | <b>Business Efficiency</b> | <b>Transport</b> | <b>Property</b> | <b>Socio-economic</b> | <b>Total</b> | <b>Rank</b> |
|----------------------|----------------------------|------------------|-----------------|-----------------------|--------------|-------------|
| Glasgow City         | 2,560                      | 1,000            | 1,000           | 4,417                 | 8,977        | 32          |
| Fife                 | 2,787                      | 720              | 234             | 4,078                 | 7,819        | 31          |
| North Lanarkshire    | 2,155                      | 760              | 566             | 4,223                 | 7,704        | 30          |
| North Ayrshire       | 1,439                      | 400              | 328             | 5,000                 | 7,167        | 29          |
| West Lothian         | 2,132                      | 590              | 718             | 3,544                 | 6,984        | 28          |
| South Lanarkshire    | 2,212                      | 530              | 475             | 3,689                 | 6,906        | 27          |
| Edinburgh, City of   | 3,000                      | 1,000            | 427             | 2,379                 | 6,806        | 26          |
| Dumfries & Galloway  | 1,687                      | 470              | 219             | 4,223                 | 6,599        | 25          |
| East Ayrshire        | 1,303                      | 400              | 351             | 4,466                 | 6,520        | 24          |
| West Dunbartonshire  | 915                        | 420              | 137             | 4,903                 | 6,374        | 23          |
| Falkirk              | 2,149                      | 590              | 210             | 3,398                 | 6,347        | 22          |
| Highland             | 1,631                      | 320              | 345             | 3,738                 | 6,034        | 21          |
| Dundee City          | 1,700                      | 790              | 106             | 3,398                 | 5,994        | 20          |
| Inverclyde           | 878                        | 400              | 184             | 4,515                 | 5,977        | 19          |
| Renfrewshire         | 1,631                      | 570              | 119             | 3,350                 | 5,670        | 18          |
| Angus                | 1,012                      | 520              | 302             | 3,544                 | 5,378        | 17          |
| Clackmannanshire     | 1,061                      | 270              | 202             | 3,835                 | 5,368        | 16          |
| Stirling             | 1,795                      | 710              | 236             | 2,476                 | 5,217        | 15          |
| Scottish Borders     | 1,543                      | 390              | 293             | 2,961                 | 5,187        | 14          |
| Aberdeen City        | 1,713                      | 1,000            | 102             | 2,233                 | 5,048        | 13          |
| Argyll & Bute        | 994                        | 320              | 219             | 3,301                 | 4,834        | 12          |
| East Dunbartonshire  | 1,598                      | 450              | 158             | 2,621                 | 4,827        | 11          |
| South Ayrshire       | 1,448                      | 420              | 132             | 2,718                 | 4,719        | 10          |
| Perthshire & Kinross | 1,873                      | 470              | 72              | 2,087                 | 4,502        | 9           |
| Aberdeenshire        | 1,517                      | 480              | 210             | 2,136                 | 4,344        | 8           |
| Shetland Islands     | 443                        | 220              | 336             | 3,107                 | 4,106        | 7           |
| Eilean Siar          | 860                        | 220              | 310             | 2,573                 | 3,963        | 6           |
| East Lothian         | 1,431                      | 420              | 141             | 1,699                 | 3,691        | 5           |
| Moray                | 836                        | 450              | 219             | 2,087                 | 3,592        | 4           |
| East Renfrewshire    | 1,185                      | 500              | 72              | 1,699                 | 3,456        | 3           |
| Midlothian           | 1,548                      | 620              | 158             | 1,117                 | 3,443        | 2           |
| Orkney Islands       | 481                        | 220              | 336             | 1,990                 | 3,028        | 1           |

## 9 KEY ISSUES

Stage 2 of the relocation appraisal process requires ROS to carry out a detailed options appraisal of each of the short-listed location options. Each location will be evaluated using costs and benefits and risk analysis in line with Treasury Green Book and Scottish Executive recommendations.

There are a number of issues that this Stage 2 appraisal will need to address and we set out below the key issues identified at this early stage and the approach we intend to take to analysing these.

### 9.1 Scale of the move

ROS currently employs over 1,400 staff in four locations. At Stage 2 we will identify:

- The staff retention levels expected for each location using a detailed staff survey to be performed in February 2005.
- The capacity of the Scottish Executive and other Government departments to absorb ROS personnel. Perhaps as many as 600 FTE posts would need to be absorbed. Detailed consideration of the absorption capacity of the Civil Service in the Edinburgh area is essential, with the consequences of the recently published “Building a Better Scotland” and the Gershom and Lyons agendas a likely constraint on the capacity to absorb significant staff numbers.
- Redundancy costs, (either to ROS or the Executive depending upon the unit of redundancy), associated with relocation, this analysis being dependent on discussions on absorption levels. ROS’s average length of service for senior personnel is in excess of 20 years, therefore the potential budgetary impact of these redundancies is significant.
- An operational model to support the relocation, focusing on the training, parallel running and programme and change management procedures and associated costs to inform the costs benefits analysis and the planning process.
- Analysis of the impact on ROS’s Glasgow operations if a West of Scotland location other than Glasgow is chosen. Retention of the St Vincent Street facility under such circumstances is possibly inefficient and operationally deficient. However, Glasgow’s socio-economic make-up suggests that retention of a Glasgow facility is desirable.

### 9.2 ROS’s operating model

ROS’s production model operates using a series of production “teams” incorporating a pre-determined mix of skills and grades of staff, some of whom are legal specialists (who are pivotal to the functioning of the organisation), others who are trained graduates or school leavers. Ensuring that the correct balance of

these teams is maintained during and post relocation will be vital to the success of this project. Staff surveys and analysis of intentions by grade will provide the basis for an analysis of the future operating model under different relocation options.

### **9.3 ROS restructuring plans**

Despite being a self-funding organisation, ROS is embarking on a highly significant programme of organisational change (details are provided in Appendix 3) that will see a significant reduction in its cost base over the next 10 years. The efficiencies gained from this programme will flow through to lower fee charges. The Stage 2 appraisal will, therefore, need to ensure that any relocation option supports the delivery of planned efficiencies.

The timing of the relocation needs to be considered in detail at Stage 2. ROS is forecasting to shed over 200 FTE posts in the next five years alone, therefore plans will need to be developed to ensure that a major relocation during this period does not result in cost and time being wasted on relocating redundant posts.

### **9.4 ROS as a self-funding operation**

ROS is a self-funding organisation and recovers its operating costs from the fees it generates from its activities. Future relocation plans may result in significantly increased costs and fees above planned levels, at least over the short to medium term and therefore in ROS's case, a financial analysis will be a vital part of the Stage 2 appraisal process. This analysis will result in the impact of each option on user charges being modelled.

### **9.5 Relocation Scenarios**

Any relocation of this size presents a number of alternative relocation scenarios. The following are examples of scenarios that have been identified by the project team. Ministers may wish to consider the scenarios at this stage and offer a steer as to which should be taken forward for further analysis at Stage 2.

- A “big bang” style move which, based upon our previous research, brings with it a number of challenges. These include substantial short to medium term costs, redundancies or redeployment elsewhere in the Civil Service, the serious risk of service disruption and the potential loss of a unique, specialist skill base.
- A “phased” relocation of the whole organisation which results in full transfer of operations from Edinburgh (and possibly also Glasgow) over a longer time frame to facilitate easier transfer. During Stage 2 the practicalities of such a move would be examined, as the staged growth in ROS's accommodation requirements at its new destination, coupled with the gradual run down of its accommodation requirement in Edinburgh, will potentially compromise value for money objectives of the relocation policy.

- A partial (and phased) relocation of posts from Edinburgh to a new location or to ROS's existing location in Glasgow. This has potential benefits in minimising operational impact and is potentially cost effective. The scale of ROS's operations means that there is potential in particular for a significant number of posts to be relocated to Glasgow in the medium term. Detailed analysis is required to determine the feasibility and cost effectiveness of such a proposal.
- Establishment of satellite centres in dispersed locations. ROS is aware of the Executive's Small Units Initiative and has previously conducted some initial work on the operational and business benefits of establishing smaller operational units in locations such as Highland and Dumfries and Galloway. The areas suitable for the establishment of such centres are not likely to be those identified by the short-listing process. Staff survey data already supports a contention that this scenario would be attractive to some staff and at Stage 2 this analysis could be revisited, updated and costed in more detail.

### 9.5.1 Feasibility of scenarios

The variety of alternative scenarios, coupled with the number of locations that have been short-listed, means that at Stage 2 there is potential for well over 20 alternative combinations of scenarios and locations to be considered. In addition, it appears even at this stage that two scenarios in particular, namely a "big bang" approach and a phased relocation of the entire organisation, are particularly challenging and high risk. Evaluating these scenarios in detail across the short-listed locations would absorb considerable resource and given that neither scenario is likely to produce a financially viable option Ministers may wish to consider their elimination from further consideration at this stage.

As noted in the previous sections, the key issues presented by these options include:

#### *Big Bang Approach*

- Ability of the Civil Service in Edinburgh to absorb redundant posts;
- Ability to fund large scale redundancy;
- The high risk of disruption to a business change programme that is already forecasting major reductions in ROS's staffing levels and efficiency savings;
- The inefficient transfer of posts which will become redundant under the change programme in the short and medium term; and
- The risk to ROS's operating model arising from the loss of a significant proportion of its skilled staff base.

*Phased move of whole organisation*

- All of the above, with the impacts possibly being mitigated to some extent by a phased move; and
- The practical and value for money challenges posed by a requirement to find flexible accommodation to support the phased relocation of an entire workforce over a protracted period of time.

Given the nature of these risks, Ministers may wish to provide guidance at this stage as to whether these scenarios can be omitted from the Stage 2 appraisal, thus saving considerable time and resource in evaluating options that are impractical.

## **10 APPENDIX 1 – TECHNICAL EVALUATION MODEL**

## 11 APPENDIX 2 – ANALYSIS OF STAFF NUMBERS, GRADES AND QUALIFICATIONS

|  |                     |   |
|--|---------------------|---|
| Support Officer 2  | 118.8               | 2 'O' or 'S' Grades   |
| Support Officer 1  | 362.3               | 5 'O' or 'S' Grades   |
| Registration Officer 2<br>Legal and Sasines                | 104.8               | 3 Highers one of which must be English  |
| Registration Officer 2<br>Plans                            | 81.8                | 3 Highers one of which must be English  |
| Registration Officer 2<br>other                            | 77.6                | 3 Highers one of which must be English  |
| Registration Officer 1<br>Legal (inc. Feudal<br>Abolition) | 172.4               | LLB or equivalent legal qualification   |
| Registration Officer 1<br>Plans                            | 26.8                | Always recruited internally from RO2's with Plans<br>experience                           |
| Registration Officer 1<br>other                            | 59.5                | Relevant degree or professional qualification   |
| Corporate Service<br>Officer 2                             | 80.2                | Relevant professional qualification   |
| Corporate Service<br>Officer 1                             | 69.1                | Relevant professional qualification i.e. CIMA,<br>CIPS etc and some experience            |
| Senior<br>Caseworker/Senior<br>Team Leader                 | Part of 66<br>below | Always recruited internally as the experience<br>required can only be obtained within ROS |
| Service Manager  | 66                  | Relevant professional qualification plus extensive<br>functional experience               |
| Director and above   | 26.6                | Relevant professional qualification plus<br>extensive functional experience               |

## 12 APPENDIX 3 – BUSINESS CHANGE PROGRAMME

ROS has embarked upon a substantial programme of change, the combined elements of which are designed to transform the business to new ways of working to deliver the capability to achieve its vision. The delivery of the projects within the programme is fundamental to achieving the Agency's objectives. Recognising the scale of the change required in terms of designing the technical infrastructure and business processes to deliver its business, ROS has entered into a partnership agreement with BT for its Information Strategy. ROS has set itself a challenging timetable to deliver the change programme over the next two and a half years.

The programme encapsulates two key elements: a **Back Office Systems Initiative** that will radically re-engineer internal business processes integrating and automating back office functions to improve efficiency, and a **Public Facing Initiative** that will enable ROS to develop electronic registration services. There are a number of projects underpinning these initiatives but it is worth mentioning specifically - *Automated Registration of Title to Land* - as this is a major customer facing project that will be developed in consultation with the legal profession and will enable automated registration of straightforward property transactions.

During this period of significant change, ROS must continue to deliver its ministerial targets ('business as usual') whilst managing change initiatives of escalating scale and complexity that will ultimately transform the organisation. Key to achieving success will be the management of interdependencies across the organisation and the effective management of change to ensure that ROS achieves the benefits predicted from the delivery of the programme. Underpinning the strategy, is the assumption that ROS will maintain a relatively stable staffing position and skill base in the next two years. This is essential to ensure that the appropriate balance is maintained between delivery of our objectives and transitioning the business to the new ways of working.

The timetable for delivery of the programme is illustrated below and the dates shown are contractually binding on ROS. Any failure by ROS to meet agreed payment milestones will result in the application of contractual financial penalties. The timetable also includes additional projects within the programme.



## Impact on Staff Numbers

The following table summarises the change in projected staffing levels as a result of the above change programme.

